

# THE U.S. COIN COLLECTOR

THE OFFICIAL JOURNAL OF THE NATIONAL COIN COLLECTORS ASSOCIATION

## WELCOME TO THE NCCA!

The scene: Our supper table.

The time: June 1990.

My wife: "How's your new coin club coming?"

Me: "Great! We're getting new members every day. It's coming along better than I ever expected. I'd better get working on the first issue of the journal pretty soon if I want to meet my September deadline."

My wife: "What journal?"

Me: "The club's journal."

My wife: "You're going to send them a journal?"

Me: "Six times a year! What do you think they're paying their 18 bucks for?"

My wife: "I don't know! I thought people would just pay money to join your club!"

As you can figure out, my wife, bless her heart, knows next to nothing about numismatics. For example, she thinks that the really shiny coins - whether dipped, whizzed, or newly-minted - are "pretty." Her view of toned coins? "They're kind of ugly, aren't they? Why would anyone pay money for old coins like that?"

My seven-year-old daughter knows a little more. For example, she knows the difference between a "wheater coin" (Wheat Ear cent) and a "house coin" (Lincoln Memorial cent), and her cent collection is coming along just fine, thank you.

In any event, the point of sharing this with you is to explain what national coin clubs are all about - their journals. That is, collectors join national specialty clubs primarily for their journals, and these clubs rise or fall on the quality of their journals. The function of local and regional clubs, on the other hand, is to provide stimulating meetings, and, similarly, these clubs rise or fall on the quality of their meetings.

To this end, I pledge to you to put forth my absolute best effort in publishing each and every issue of The U.S. Coin Collector. This is not to say that everyone will agree with everything that is written, or that everyone will find everything of equal interest. It is to say that I will never publish a shoddy or half-hearted issue. It is also to say that, barring some physical incapacity (no signs of that yet at the tender young age of 39) or natural disaster (I do live in a really interesting

earthquake zone), I will publish the journal on time every two months. Having been a full-time business writer for 15 years, I am used to deadlines, so I plan to carry on here in the same tradition.

The U.S. Coin Collector will publish articles of practical value and interest to collectors: how to grade; how to determine eye appeal; how to buy coins at shows, auctions, by mail, etc.; how to resell coins; census and rarity ratings (to help you discover some underrated coins); how to store and display your collections safely and aesthetically; how to identify rare varieties; how to find some new collecting opportunities. In short, articles with information that you can really use.

In addition, each issue will list all of the specialty clubs that exist for U.S. coinage, as well as information on how to join them. I believe that, as a national organization specializing in U.S. coins, we should develop cooperative relationships with all of the other U.S. specialty clubs. Ideally, the NCCA can become the "bridge" organization that links all of these organizations together to promote, in common, the fun and enjoyment of collecting and learning about U.S. coins.

In future issues, we will publish letters to the editor. However, since I have received about 50 such letters in the last two months, I will simply summarize some of the key issues here:

- Why U.S. coins only? Many collectors expressed regret that the NCCA would not cover world coins, paper money, exonumia, etc. My reasoning for focusing on U.S. coins was that, first, I did not want the NCCA to become too broad and ill-defined. I thought that a focus on U.S. coins would help define the club better and provide the opportunity to focus articles on the various series of coins involved. As most of you know, the fields of world coins and exonumia are almost literally unlimited, and it would be difficult for a club of our scope to do justice to all of numismatics. Second, the American Numismatic Society (ANS) in New York is an outstanding scholarly body that serves the field of world and ancient coins in an outstanding way. I didn't feel like attempting to "step on their turf" and do a fifth-rate job of something that is already

being handled in a first-rate way.

- How about club membership in the NCCA? A couple of members asked if their local coin clubs could become members. The answer is an enthusiastic "yes!" In fact, you can sign up your pet hamster, "Herbie," if you want. As long as someone pays "Herbie's" \$18 a year, "Herbie" will get his copy of The U.S. Coin Collector every two months (and will have his one vote on survey issues). Similarly, any coin club, whether it have two members or 200, can join for \$18, will get its one issue of the Journal every two months, and will get its one vote on club issues. Fair enough?

- Why let dealers become members? Now, for the "really hot" issue! Approximately 15% of the collectors who have joined the NCCA have expressed strong disagreement in correspondence to me about allowing dealers to become members of the NCCA. Their fears, in summary, are that the dealers will soon "take over the NCCA the way they've taken over the ANA."

Here are my thoughts on the issue:

1 - There is no way that I know of to keep dealers out of the NCCA. That is, dealers can send in money for membership and not even identify themselves as dealers. Even dealers whose names are well-known by everyone in the hobby can sign up using a friend's or neighbor's name if they really want to.

2 - Since The U.S. Coin Collector does not carry any advertising, we are not "beholdin'" to anyone for income, so dealers cannot exert any financial influence over the club.

3 - Since all issues are voted on by individual members (one member - one vote), rather than by a board of governors, there is no way that dealers can dictate policy to the NCCA - unless all of them vote every time and the collectors don't bother, in which case, those who don't vote deserve what they get for not voting!!

4 - Finally, there are a lot of really nice dealers out there, folks! Not all of them are crooks! In fact, I have found that there is a network of small dealers out there who are more dedicated to the hobby than many of the "pure collectors." It's my feeling that dealers can contribute much knowledge, information, and support (non-financial) to the NCCA.

For these reasons, I have absolutely no problems with having dealers as members of the NCCA. In fact, I welcome anyone who wants to join, learn, and have fun.

However, since it is an issue of concern to a lot of people, it is something that we will vote on in the future, once we have enough members to constitute a viable organization. In the meantime, start sending in the cards and letters with your

opinions on dealer membership and your reasons pro or con.

## "THE SUBTERRANEAN MULTITUDE"

BY HUGH COOPER

It is a truth universally acknowledged that a hobby is meant to be a relaxation, not a compulsion, and like bowling, it is a chance to do only as well as you want to without going into the poorhouse because of it. On the other hand, with some diligence and concentration, one can improve oneself and pick up a plaque or a trophy along the way, and in any case, achieve an awareness of true accomplishment.

Now, anyone who has ever had a legitimate bitch against some aspect of the coin industry, such as dealer outrages, ANA insouciance, U.S. Mint overpricing and sloth, and the anxious greed which epitomizes the coin industry - such a person, I say, has found refuge and cameraderie within NCCA.

NCCA is a hobbyist's organization, a group of folks who do not care about, and I hope are impervious to, hype, slabbing, teletypes, computer grading and bandwagon mentalities. They buy books and subscribe to periodicals. They read them. They belong to national and regional specialty organizations. NCCA is that subterranean multitude who are touted by the wishful pundits as the ultimate salvation of the coin industry. This notion is false. Serious budget-gearred collectors cannot save the hyped-up, leveraged coin industry which is currently running low on trump. Nor do they wish to.

Investors and speculators require rising prices. Modest, genuine collectors do not.

Every member of the NCCA is in effect a member of the board in the sense that significant issues are voted upon by all members. And I know that suggestions are welcomed, and indeed invited.

The focus of the NCCA is on unslabbed pre-1965 U.S. coins which cost less than \$500. I have cursorily checked the 1990 Red Book and found only four 20th Century coins which cost \$500 or more. I daresay that if you were to buy a 1916 Standing Liberty quarter for somewhat more than \$500, you would not be summarily cashiered from the NCCA.

Anyway, it has been my experience that quite a large number of collectors spend only between \$1.00 and \$100 per coin and that only occasionally do they spend more than \$100. Very little is written for these collectors, but it looks as if this is about to change. I can assure you that there is a hell of a lot to learn about low-priced coins, and the best of it is that most of it applies to the more expensive ones. What is more, since you have already begun to suspect that you will go to your grave without having acquired an 1804 Silver Dollar, an 1894-S Barber Dime, a 1913 Liberty Head Nickel, or

SERIES COVERED BY THE NCCA  
(AND THEIR APPROPRIATE SPECIALTY CLUBS)

Half Cents	Early American Coppers Inc
Large Cents	Early American Coppers Inc
Flying Eagle and Indian Head Cents	Society of Small Cents Collectors
Lincoln Cents	Society of Small Cents Collectors
Two-Cent Pieces	
Silver Three-Cent Pieces	
Nickel Three-Cent Pieces	
Shield Nickels	American Nickel Collectors Association
Liberty Head Nickels	American Nickel Collectors Association
Buffalo Nickels	American Nickel Collectors Association
Jefferson Nickels	American Nickel Collectors Association
Early (1794-1837) Half Dimes	John Reich Collectors Society
Liberty Seated Half Dimes	Liberty Seated Collectors Club
Early (1796-1837) Dimes	John Reich Collectors Society
Liberty Seated Dimes	Liberty Seated Collectors Club
Barber Dimes	Barber Coin Collectors Society
Mercury Dimes	
Roosevelt Dimes	
Twenty-Cent Pieces	Liberty Seated Collectors Club
Early (1796-1838) Quarters	John Reich Collectors Society
Liberty Seated Quarters	Liberty Seated Collectors Club
Barber Quarters	Barber Coin Collectors Society
Standing Liberty Quarters	Standing Liberty Quarter Collectors Society
Washington Quarters	
Early (1794-1839) Half Dollars	John Reich Collectors Society / Bust Half Nut Club
Liberty Seated Half Dollars	Liberty Seated Collectors Club
Barber Half Dollars	Barber Coin Collectors Society
Liberty Walking Half Dollars	
Franklin Half Dollars	
Early (1794-1804) Silver Dollars	John Reich Collectors Society
Liberty Seated Silver Dollars	Liberty Seated Collectors Club
Trade Dollars	Liberty Seated Collectors Club
Morgan Silver Dollars	
Peace Silver Dollars	
Gold Coins	John Reich Collectors Society (early gold)
Commemorative Coins	Society for U.S. Commemorative Coins
Error/Variety Coins	Combined Organization of Numismatic Error Collectors of America (CONECA)

an 1856 Flying Eagle Cent, they cannot be a great source of frustration to you. But you can and have read about them. And you are not surprised to know that only one bloke, Louis Eliasburg, has ever owned a coin of every date, every mint, every denomination, and every metal of the U.S. Federal series. In short, there is a seething epidemic of yearning and vicarious collecting going on in the hobby and the industry. No one is immune to it.

I believe there is a sort of kinship among serious collectors who know that their horizons are finite and who are able to "see the world in a grain of sand."

(Editor's note: Hugh Cooper is one of those rare breed of collectors who combines a love for the hobby with a keen insight into what is taking place in the hobby today. I am honored that he agreed to pen this introductory piece for The U.S. Coin Collector. With luck, we will hear from again. There is not a collector alive today who cannot learn a lot from Hugh Cooper.)

## SPECIALTY CLUBS WORTH LOOKING INTO

### AMERICAN NICKEL COLLECTORS ASSOCIATION

736-D St Andrews Rd Suite 163

Columbia SC 29210

Established: 1987

Dues: \$10 per year (plus \$10 initiation fee)

Members: 250

Publication: "Nickel News" (4 times per year)

### BARBER COIN COLLECTORS SOCIETY

PO Box 382246

Memphis TN 38138

Established: 1989

Dues: \$10 per year

Members: 400

Publication: "Journal of the Barber Coin Collectors Society" (4 times per year)

Comments: One of the newest, but quickly becoming one of the best, specialty clubs and journals.

### BUST HALF NUT CLUB

PO Box 4875

Margate FL 33063

Established: ?

Dues: \$15 per year

Members: Under 100

Publication: (newsletter)

Comments: The BHNC is a restricted organization. To qualify, applicants must own at least 100 different die marriages of Bust Half Dollars, and this must be verified by an existing member. However, once you're in, you gain access to the club's much-sought-after

rarity-rating census of the series.

### COMBINED ORGANIZATIONS OF NUMISMATIC ERROR COLLECTORS OR AMERICA (CONECA)

PO Box 915

Palo Alto CA 94302

Established: 1983

Dues: \$15 per year (adults) / \$5 (juniors)

Members: 800

Publication: "Errorscope" (12 times per year)

Comments: With your membership in CONECA, you receive a free ad in "Errorscope," one or two free error coins, a 16-page error/variety identification kit, and a 46-page CONECA handbook!

### EARLY AMERICAN COPERS, INC. (EAC)

PO Box 15782

Cincinnati OH 45215

Established: 1967

Dues: \$24 per year (First class mailing of journal)  
\$16 (Third class mailing of journal)

Members: 1,400

Publication: "Penny-Wise" (6 times per year)

Comments: EAC is considered the "granddaddy" of specialty clubs, and "Penny-Wise" is generally considered to be the best specialty journal in numismatics.)

### JOHN REICH COLLECTORS SOCIETY

PO Box 205

Ypsilanti MI 48197

Established: 1985

Dues: \$10 per year

Members: 400

Publication: "John Reich Journal" (3 times per year)

Comments: While the journal is well-done, its publication schedule is very erratic.

### LIBERTY SEATED COLLECTORS CLUB

PO Box 1062

Midland MI 48641

Established: 1974

Dues: \$10 per year (\$11 the first year)

Members: 650

Publication: "The Gobrecht Journal" (3 times per year)

Comments: Another excellent club and journal.

### NUMISMATIC BIBLIOMANIA SOCIETY

4223 Iroquois Ave

Lakewood CA 90713-3211

Established: ?

Dues: \$15 per year

Members: ?

Publication: "The Asylum"

Comments: I sent in my application for the NBS several months ago, but have yet to hear anything in

response. I have also heard from several other collectors that publication of the journal is sporadic. Does anyone out there have any information on this club?

#### SOCIETY FOR U.S. COMMEMORATIVE COINS

?

?

Established: 1983

Dues: \$15 (adults) / \$5 (juniors)

Members: 1,400

Publication: "The Commemorative Trail" (4 times per year)

Comments: Currently, there is some confusion over where collectors should write for membership. As soon as I get some official word on an address, I will publish it.

#### SOCIETY OF SILVER DOLLAR COLLECTORS

Comments: I have written to an address for this club to see if it is for investors or collectors, but as yet have heard nothing in response. Do any of you have any information on this group?

#### SOCIETY OF SMALL CENT COLLECTORS

PO Box 5465

North Hollywood CA 91616

Established: 1982

Dues: \$10 per year

Members: 700

Publication: "Lincoln Sense" (6 times per year)

Comments: The club's journal is really just a few pages of notes. Most members join the club in order to participate in its auctions.

#### STANDING LIBERTY QUARTER COLLECTORS SOCIETY

PO Box 14762

Albuquerque NM 87191

Established: 1989

Dues: \$10 per year

Members: 100

Publication: "MacNeill's Notes" (4 times per year?)

Comments: This new club offers a very promising journal that, it looks like, will be published quarterly.

Editor's note: If anyone has any data to contribute to this list (additions, corrections, etc.), please let me know and I will add it in the next issue. Thanks.

#### Regional and State Numismatic Associations

Alabama Numismatic Society

Arkansas Numismatic Society

Blue Ridge Numismatic Society

California State Numismatic Association

Central States Numismatic Society

Colorado-Wyoming Numismatic Association

Empire State Numismatic Association

Florida United Numismatists

Garden State Numismatic Association

Georgia Numismatic Association

Georgia State Numismatic Society

Great Eastern Numismatic Association

Hawaii State Numismatic Association

Illinois Numismatic Association

Indiana State Numismatic Association

Iowa Numismatic Association

Kansas Numismatic Association

Kentucky State Numismatic Association

Louisiana Numismatic Society

Louisiana State Numismatic Association

Maine Numismatic Association

Maryland State Numismatic Association

Michigan State Numismatic Society

Middle Atlantic Numismatic Association

Minnesota Organization of Numismatists

Mississippi Numismatic Association

Missouri Numismatic Society

Nebraska Numismatic Association

New England Numismatic Association

New Hampshire Numismatic Association

New Jersey Numismatic Society

North Carolina Numismatic Association

Northern California Numismatic Association

Numismatic Association of North Dakota

Numismatic Association of Southern California

Numismatists of Wisconsin

Oklahoma Numismatic Association

Oregon Numismatic Society

Pacific Coast Numismatic Society

Pacific Northwest Numismatic Association

Pennsylvania Association of Numismatists

South Carolina Numismatic Association

Tennessee State Numismatic Society

Texas Numismatic Association

Utah Numismatic Society

Virginia Numismatic Association

If you:

- would like addresses for these clubs,
- know of other regional or state clubs not listed here, and/or
- are aware of some on this list that are defunct or otherwise not worth listing,  
PLEASE WRITE TO ME. THANKS!

## NCCA BOOK REVIEWS

### WALTER BREEN'S COMPLETE ENCYCLOPEDIA OF U.S. AND COLONIAL COINS

Walter Breen  
Doubleday (New York)

1988  
754 pages  
4,000+ photos  
8 1/2" x 11" format

List price: \$75.00 (but available for \$60 or less from many numismatic mail-order outlets)

The old adage in numismatics, "Buy the book before the coin" always sounded nice, but left collectors with the unanswered question: "What book?"

As of 1988, that question has had an answer, and that answer is Walter Breen's Complete Encyclopedia of U.S. and Colonial Coins. With over 8,000 entries, this is the ultimate book on U.S. coins.

If you only "dabble" in U.S. coins and aren't interested in becoming any more involved in the hobby, save your money. However, if you are serious about numismatics, you owe it to yourself to purchase this book before you purchase another coin.

Sit down and read it from cover to cover, and you will know more about coins than 90% of collectors alive today. Certainly, the book will generate as many questions as answers, and this is as it should be. The questions will be the beginning of your real education process in numismatics. The next step will be moving on to some of the more specialized books (listed in this issue of The U.S. Coin Collector) and specialty clubs (also listed).

The book covers over 8,000 different varieties of U.S. and Colonial coins, representing all the major die varieties, as well as some minor varieties. Regardless of what series you collect, there will be something new and enlightening in Walter's discussion of it.

If the book does anything, it will provide endless hours of fascination and become your "reference of first choice" when you have a question about any U.S. or Colonial coin.

### COIN WORLD'S COMPREHENSIVE CATALOG AND ENCYCLOPEDIA OF UNITED STATES COINS

David Alexander (Editor)

World Almanac (New York)

1990  
456 pages  
800+ photos

6" x 9" format  
Hardcover: \$35.00 Softcover: \$19.95

Available in many book and coin shops, but also available directly from Coin World (Phone: 800-253-4555; or P.O. Box 150, Sidney OH 45365 - Ohio residents add 6% sales tax)

If there is any book that can be called a companion volume to Walter Breen's encyclopedia (reviewed above), it is Coin World's Comprehensive Catalog and Encyclopedia of United States Coins. The only possible lacking in Walter's book is pricing information. This is where Coin World's catalog comes into play. Although it does not list all of the varieties that are in Walter's book, it lists a majority of them. As such, by using both books together, you can learn not only about the various coins, but what they are trading for these days.

If you're a casual collector, you may not find Coin World's catalog of real use. The latest edition of the Redbook will suffice. However, if you're more astute and are looking for more detailed information on the various dates, mintmarks, and varieties, Coin World's catalog is for you. The catalog has many more entries than does the Redbook.

The catalog has two minor drawbacks, however. First, Coin World Trends prices (which form the basis for the catalog's pricing) tend to be on the high end. That is, most coins sell for less than these prices, so if a dealer "sees you coming" with your catalog in hand, your ability to negotiate a fair price may be limited. Second, the catalog is limited in its number of pricing columns. In many instances, the Redbook offers a wider range of grades that are priced.

Whether Coin World will expand these columns in the future remains to be seen. However, if it does, I see no reason why its catalog will not slowly but surely replace the Redbook as the "price book of choice" by collectors in the coming years.

## NCCA SUGGESTED BOOK READING LIST

The book list beginning on Page 7 includes the titles and authors of all of the specialized numismatic books that deal with collecting specific series of U.S. coins. I am in the process of expanding this reference list into a detailed, annotated bibliography that will be offered as the NCCA's first published monograph. The bibliography will give information on topics covered, quality of writing, pages, prices, places to purchase the books, etc. I hope to get this bibliography published by the end of 1990. Stay tuned for details! In the meantime, I hope this list (alphabetical by author) helps you in your book search. (Note: (+#) after an author indicates the number of co-authors. These will be detailed in the annotated bibliography.)

Ahwash, Kamal	Encyclopedia of United States Liberty Seated Dimes - 1837-1891
Akers, David	Handbook of 20th-Century United States Gold Coins - 1907-1933
Akers, David	United States Gold Coins: An Analysis of Auction Records (Volumes I - VI)
Alexander, David (Editor)	Comprehensive Catalog and Encyclopedia of United States Coins
American Numismatic Society	America's Copper Coinage - 1783-1857
American Numismatic Society	America's Silver Coinage - 1794-1891
Beistle, Martin L.	Register of U.S. Half Dollar Die Varieties and Sub-Varieties
Bolender, M.H.	United States Early Silver Dollars from 1794-1803
Bowers, Q. David (+1)	United States Half Cents - 1793-1857
Bowers, Q. David	United States Copper Coins - An Action Guide for the Collector and Investor
Bowers, Q. David	United States Three-Cent and Five-Cent Pieces - An Action Guide for the Collector and Investor
Bowers, Q. David	United States Dimes, Quarters, and Half Dollars - An Action Guide for the Collector and Investor
Bowers, Q. David	Buyer's Guide to United States Gold Coins
Breen, Walter	Walter Breen's Complete Encyclopedia of U.S. and Colonial Coins
Breen, Walter	Walter Breen's Complete Encyclopedia of U.S. and Colonial Proof Coins
Breen, Walter	Walter Breen's Encyclopedia of United States Half Cents - 1793-1857
Browning, A.W.	Early Quarter Dollars of the United States - 1796-1838
Cline, J.H.	Standing Liberty Quarters
Cohen, Roger S.	American Half Cents, the Little Half Sisters
Cohen, Annette (+1)	The Buffalo Nickel
Davis, David (+4)	Early United States Dimes - 1796-1837
Fivaz, Bill (+1)	Cherrypicker's Guide to Rare Die Varieties
Gelman, John (+1)	Attribution Guide for United States Large Cents - 1840-1857
Hancock, Virgil (+1)	Standard Catalog of United States Altered and Counterfeit Coins
Hilt, Robert P.	Die Varieties of Early United States Coins - Vol. I
Howe, Dean	Mercury Dimes: An In-Depth Study
Howe, Dean	Walking Liberty Half Dollars - An In-Depth Study
Howe, Dean	Morgan Dollars: An In-Depth Study
Hudgeons, Mark	Official Price Guide to Mint Errors and Varieties
Iavoco, James	Comprehensive Guide to United States Commemorative Coins
Judd, J. Hewitt	United States Pattern, Experimental, and Trial Pieces
Kelman, Keith	Standing Liberty Quarters
Kenney, Richard D.	Struck Copies of Early American Coins
Kilman, Myron	The Two-Cent Piece and Varieties
Lawrence, David	Complete Guide to Barber Quarters
Liberty Seated Collectors	The Gobrecht Journal (Collective Volumes I - III)
Mercer, Ray	Buyer's Guide to the Grading and Minting Characteristics of United States Commemorative Coins (Volumes I and II)
Miller, Wayne	The Morgan and Peace Dollar Textbook
Newcomb, Howard R.	United States Copper Cents of the Years 1816-1857
Overton, Al C.	Early Half Dollar Die Varieties - 1794-1836
Overton, Al C. (BHNC)	Supplement to Early Half Dollar Die Varieties - 1794-1836
Reiver, Jules	Variety Identification Guide for United States Half Dimes - 1794-1837
Reiver, Jules	Variety Identification Guide for United States Quarter Dollars - 1796-1838
Reiver, Jules	Variety Identification Manual for United States Reeded Edge Half Dollars 1836-1839
Schmieder, Thomas K.	Collecting and Investing in United States Small Cents
Sheldon, William (+2)	Penny Whimsy - Early American Cents 1793-1814
Slabaugh, Arlie	United States Commemorative Coins
Swiatek, Anthony	The Walking Liberty Half Dollar
Swiatek, Anthony (+1)	Encyclopedia of United States Gold & Silver Commemorative Coins 1892-1989
Taxay, Don	Counterfeit, Mis-Struck, and Unofficial U.S. Coins

Taxay, Don	Illustrated History of U.S. Commemorative Coinage
Taylor, Sol	Standard Guide to the Lincoln Cent
Valentine, Daniel	United States Half Dimes
Van Allen, Leroy (+1)	Comprehensive Catalog and Encyclopedia of U.S. Morgan and Peace Dollars
Wexler, John	The Lincoln Cent Doubled Die
Wexler, John (+1)	The RPM [repunched mintmark] Book
White, Weimar	The Liberty Seated Dollar - 1840-1873
Willem, John	The United States Trade Dollar

## ARE COINS REALLY AN INVESTMENT? - A NEW LOOK

Let's study the "profit march" of your coins over the years. After all, dealers have been telling us for decades that, "Coins are a good investment," and "Collect for fun, because the profit will take care of itself." All of these dealers, naturally, have impressive looking graphs, charts, price lists, and data to "prove" their points.

However, let's look at the issue from the collector's perspective, rather than the dealer's, and get closer to the truth. Several months ago, I selected 100 collector coins at random from the pages of the 1960 Redbook. Here's the breakdown:

<u>Period</u>	
- Coins from the 1800s	60
- Coins from the 1900s	40
<u>Metal</u>	
- Copper	15
- Nickel	10
- Silver	70
- Gold	5
<u>Grade</u>	
- Very Good	10
- Fine	25
- Very Fine	40
- Extremely Fine	25

All of these coins retailed for between \$1 and \$50 at the time. The total cost of these coins in 1960, according to the Redbook, was \$1,335.

What is the cost of these coins in the 1990 Redbook? A phenomenal \$7,195! Incredible! That's 539% profit in 30 years! A whopping 18% increase per year! My goodness, coins really are a good investment, even the low-priced common coins! Sound the trumpets, folks! Let's spread the word! The dealers are right after all!

But wait a minute! Let's look a little further. One of the key points dealers "forget" to mention when they publicize their "profit march" prices is the difference between what you pay for coins and what you can realistically resell them for (a critical consideration that even the highly-touted Salomon Brothers survey fails to mention). I have spent several years researching this specific issue and have concluded, after using several sources, that the average repurchase price for common coins

by dealers is 45% of retail. In other words, if a coin is retailing for \$20, the average offer you can expect from a dealer is \$9.00.

I arrived at this percentage from using:

- Redbook-Bluebook price comparisons;
- Auction catalog data for the "multiple lots" (those where large numbers of common coins are sold as one lot), where I calculated the total retail price of all the coins in each lot and then compared it to what the lots actually sold for at auction;
- Personal experience, as well as the experience of hundreds of collectors who have written to me and detailed their experiences in reselling coins.

Time and again, I keep finding that collectors get between 25% and 60% on the dollar (with 45% being average) when they try to resell their coins.

Taking this 45% figure into account, then, that whopping \$7,195 figure for 1990 turns into a less impressive \$3,235 (the price you would likely be able to get if you sold your coins in 1990).

Still not bad, you say? Then let's look a little further. If you had instead put your initial \$1,335 into a savings account in 1960 that bore 5% interest compounded annually (which was the case back then), you would now have \$5,775, which is \$2,540 more than you would have made on your coins! This doesn't even take into account the fact that interest rates have increased over the years, and that interest is compounded much more often than annually. In the early 1980s, for example, you could have earned 10% or better on your savings in certificates of deposit! As such, your initial \$1,335 savings investment would likely be closer to \$8,000 in 1990, about \$5,000 more than your coins would be worth!

So much for common coins as investments! What about truly rare coins? I have done research on this, too. Here is one example: In the November 8, 1989 issue of Coin World, there was a chart listing a dozen coins from the Jimmy Hayes collection that was auctioned in 1985 and resold again in 1989. The total value of the coins in 1985 was \$205,100. The total value of the coins in 1989 was \$368,800. Well, golly! Sound the trumpets again! It looks like coins

really came up a winner this time!

But, again, let's look a little closer. The chart did not address the 10% buyer's fee that was assessed in 1985 to the person who purchased these coins at auction. It also did not address the 10% seller's fee the buyer paid when he resold the coins in 1989. This brings the figures a little closer - \$225,610 in 1985 and \$331,920 in 1989. Still a pretty good profit (\$106,310)? Not when you consider that a risk-free investment of that \$225,610 into a certificate of deposit at 10% in 1985 would have been worth \$330,314 in 1989 (a profit of \$104,694) - and, again, that is figuring interest compounded only annually. (The reason I don't compound interest more often, which is the way it's done in the real world, is because I have neither the computer nor the knowledge to do so.) In any event, suffice it to say that had the person invested his money in 1985 in certificates of deposit, he would be sitting on probably close to \$400,000 in 1989, about \$70,000 more than his ultra-risky investment in coins!

So what's the point of this piece? Is it to say that you should not collect coins? No, that's not what it's about. It's about advising you to:

1 - Ignore any and all dealer hype that suggests you can make a profit in coins.

2 - When you purchase coins, do so for fun, not with the expectation that you will profit (because you likely will not).

3 - Determine how much money you can afford to spend (lose) on coins, realizing that you will likely never recoup it (in real dollars).

Bottom line, to twist a favorite dealer line around: "Collect for fun, because there is no profit - not really."

Once you get over the pathology of worrying how much money you will "earn" once you sell your collection, you can sit back, relax, and really enjoy coin collecting for what it is - a hobby. Just as you spend a few dollars on bowling, skiing, or VCR rental movies without expecting to recoup your cash, spend money on coins for the enjoyment it will bring you. The sooner you let go of the "investment" mentality, the sooner you will really discover the pure fun, enjoyment, and fascination of coins.

Note: Some collectors do make money on coins by selling "raw" (unslabbed) uncirculated coins (which they purchased 15 years ago or more) to dealers who slab them and then resell them to brain-dead investors at ten- to twenty-times what any educated collector would pay for them.

## NCCA'S GRADING/ENCAPSULATION SERVICE

Here's the deal on NCCA's Computer Grading and Encapsulation Service: Any NCCA member wishing his coins graded can send them to us at NCCA Headquarters, along with 17 cents per coin (our service fee).

We have four graders at NCCA and offer the latest in computer grading technology. Here is how it works: I will hold each coin up to my computer screen, and if I can see its reflection, I will grade the coin at least MS-65.

After I render my grading opinion, I will pass the coin on to my wife. She really loves shiny coins, so if she smiles, I will assign another MS-65 designation to it.

My seven-year-old daughter will see it next, and if she wants to wear it around her neck, it will receive at least MS-65. On the other hand, if she wants to spend it, it will be graded MS-60 or less.

Our finalist/grader is my three-year-old son. If he runs away with it, it will receive an MS-65. If, on the other hand, he wants to stick it in a gumball machine, it will grade no higher than MS-60.

After all four of us experts have rendered our opinions, we will encapsulate your coins in Saran Wrap and return them to you Bulk Rate mail (to save on postage).

Next year, when grading standards change again and even newer technology is available, you can send us your coins again, and for an even higher fee, we will grade them again for you - with each coin likely receiving a different grade. We will continue to offer this service until everyone gets wise to the "game."

PS - If you are a dealer and become a regular customer of ours, we will be sure to assign your coins higher grades than we assign to the peon collectors who only send in coins occasionally.

## THE NCCA SURVEY

In each issue of The U.S. Coin Collector, we will propose survey questions for members to address. In the following issue, we will analyze the results and publish statistics, summaries, excerpts, etc. from the previous issue's survey questions. Your name will not be used in print unless you specifically give written permission to do so.

For the first several issues, we will address questions of general interest. After we reach "critical mass" in terms of membership, survey questions will begin to address NCCA policies, procedures, by-laws, etc.

Survey Question #1: How important is a dealer's attire to you when you visit a coin show?

Survey Question #2: You have an uncirculated coin that has a collector value of \$200. However, you find a dealer willing to pay you \$300 for it, because he plans to have the coin slabbed and then sell it to an unsuspecting investor for \$1,000. Do you sell the dealer your coin for \$300? Do you have the coin slabbed yourself and sell it to a dealer for, say, \$700? Do you sell the coin to another collector for \$200? Or do you do something else with it?

Survey Question #3: What kinds of articles would you like to see covered in The U.S. Coin Collector?

Survey Question #4: What kinds of services would you like to see the NCCA offer?

### DID YOU SEE...?

Each issue of the journal will contain a list of articles from various numismatic publications that may be of particular interest to NCCA members - i.e.: educational articles covering reasonably-priced U.S. collector coins between 1793-1964. (Number in parenthesis is the page number on which the article starts.)

#### COIN WORLD

##### July 4

"Collector profiles: Sol Taylor" (88)  
"Broken dies provide interesting 'cud' coins" (90)

##### July 11

"Coinage of 1964-66 weaves a tangled web" (40)  
"Collectors discover new error specimens" (96)

##### July 18

"1965 - the year of fear" (24)  
"Collector profiles: John McCloskey" (30)  
"Variety and error collecting" (76)  
"Newly-revised commem reference available" (84)  
"Errorama attracts collectors, dealers" (90)

##### July 25

"No silver lining in Coinage Act of 1965" (26)  
"Storage, cleaning of coins concern for  
collectors" (78)  
"Errorama '90 yields super mint errors" (94)

##### August 1

"Fate of Iowa Half Dollars still uncertain" (36)  
"Collector Profiles: Hugh Cooper" (72)  
"'Bow tie' Anthony Dollar struck on scrap" (90)

#### NUMISMATIC NEWS

##### July 3

(none)

##### July 10

"State-held hoard inspected" (1)

##### July 17

"Popularity unevenly distributed among commem  
halves" (1)  
"Experts agree 1941 brass cent genuine" (4)  
"Expo offered tantalizing array of  
attractions" (58)  
"Half dollar pays tribute to early pioneer  
spirit" (62)

##### July 24

(none)

##### July 31

"How much is too much magnification?" (56)

#### COINAGE

##### July

"The 'bookends' of the bust dollar" (9)  
"The first U.S. coppers" (16)  
"My two cents worth" (28)  
"10 great collections" (72)

##### August

"Half a cent" (16)  
"Mint marks move no more" (88)

#### COINS

##### July

"Washington quarters: take a second look" (44)  
"Bargain Barbers" (56)  
"Standing Liberty quarters: the cheap ones" (67)

##### August

"Liberty nickels: inexpensive and available" (34)  
"The \$1,000 coin design" (40)  
"Basics and beyond" (58)  
"Turning a profit in one day" (60)  
"A variety of nickels" (66)

#### Subscription Information:

COIN WORLD (weekly)

800-253-4555 or PO Box 150, Sidney OH 45365

One year for \$26.00

#### NUMISMATIC NEWS (weekly)

800-258-0929 or 700 E. State St., Iola WI 54990  
Six months for \$12.95 or one year for \$24.95

COINAGE (monthly)  
2660 E. Main, Ventura CA 93003  
One year for \$18.00

COINS (monthly)  
700 E. State St., Iola WI 54990  
One year for \$18.50

### WORTH NOTING!

While The U.S. Coin Collector accepts neither advertising nor press releases from coin dealers, it does encourage press releases from dealers who specialize in numismatic literature. You simply can't go wrong by getting to know these folks and doing business with them.

While all of the dealers listed here schedule literature auctions on a regular basis, they also have inventories of numismatic literature (books, catalogs, periodicals, etc.) for direct sale. So if auctions are not your "cup of tea," feel free to write to these gentlemen with your want lists.

Bidding at numismatic literature auctions is a very easy process. Prices are reasonable (many lots available for just a few dollars). If you have been "shy" about bidding at auctions, there's nothing to be worried about. Give it a try! It's an excellent way to begin building your numismatic library, whether you're interested in auction catalogs, books, periodicals, or whatever!

Function Associates  
6822 22nd Ave N - Suite 218  
St Petersburg FL 33710  
813-343-8055

Owner Fred Lake is new to the field of numismatic literature auctions, but has quickly become successful, offering a lot of valuable selections for sale. Fred's next mail bid sale will have a closing date of October 28. If you would like a copy of the auction catalog in order to bid on some of the lots, write to Fred at the above address ASAP. (Normally, catalogs are \$4.00, but Fred is making a special offer to NCCA members - free! However, please do not request a catalog if you are not serious about bidding.)

Orville "Jim" Grady  
6602 Military Ave  
Omaha NE 68104  
Jim is involved part-time in numismatic literature, but has established a reputation as being very knowledgeable. No word yet on his next mail bid sale, but drop him a note to get a copy of his next catalog.

Frank and Laurese Katen  
PO Box 4047 - Colesville Station  
Silver Spring MD 20914  
301-384-9444

Frank and Laurese Katen are veterans of the numismatic literature business, and have established a stellar reputation in the field. Their next auction will be October 19-20 in Virginia Beach, VA (mail bids also welcome).

George Frederick Kolbe  
PO Drawer 3100  
Crestline VA 92325  
714-338-6527

George is another veteran of numismatic literature. No word on his next sale, but drop him a note for more information.

Undoubtedly, there are other reputable numismatic literature dealers around who do business nationally with whom I'm not personally familiar. If any readers know of any, please let me know, and I will present the information in the next issue of the journal. Thanks.

### MORE TO COME

Over the past couple of years, I have come across several individuals attempting to set up national collector coin trading networks (the main idea being to bypass dealers and allow collectors to buy-sell-trade coins directly with each other). These networks generally act as clearinghouses to facilitate the trades.

A few have sent me press releases asking me to publicize their networks in The U.S. Coin Collector. What do you think? Is this something the NCCA should promote? Before you can intelligently make up your mind, of course, you need more information on them. As such, I plan to interview as many of these individuals as I can for an article in the next issue of The U.S. Coin Collector. Then, let's hear from you! Send in your cards and letters, and I will print some of the more insightful responses. Then, one of the survey questions will be whether we should become involved in these networks, and if so, to what extent. (At this point, for what it's worth, I am 100% neutral on the subject. I don't have strong feelings one way or another.)

## NCCA UPDATE

As of this date, July 31, we have 79 members in the NCCA.

Income has been \$1,452.00, and expenses have been \$477.66 (printing, postage, and supplies). Net cash is \$974.34.

Special thanks to people like Richard Fee, Howard Ribbentrop, Vern Tipka, and Michael Turrini for actively promoting the NCCA to their local and regional clubs! Also thanks to the Clarion Coin Club for doing the same (although I'm embarrassed to say I still don't know your name!).

Finally, special thanks to two collectors who have made financial donations to the NCCA. (You know who you are.) At this point, the NCCA is not a non-profit organization, so donations are not tax deductible.

## ODDS AND ENDS

Here is a summary of just some of the feature's from the next issue (November) of The U.S. Coin Collector, to be mailed in late October.

- Part One of some numismatic observations by Dr. Robert Turfboer.
- Some fundamentals of numismatic education.
- How to cherry-pick some overlooked Twentieth Century rarities.
- Coin trading networks: Are they worthwhile and viable?
- More book reviews.
- Information on NCCA's "Collector Information Exchange Program" ("Coin Pals").
- A neat little ditty on slabs from ANA Governor Donn Pearlman.
- More on NCCA's coin price performance index.
- Survey results, plus more survey questions.

Final note: At this point, I am trying to build membership in the NCCA slowly (so I don't get overwhelmed). Over the coming months, I plan to do mailings to local/regional coin clubs in the U.S. However, if you know of any individuals or groups that would be interested in hearing about the NCCA, please let me know. I can send you (or them) as many information/application forms as needed.

In addition, if you would like to make a presentation on the NCCA to your numismatic club or group, please let me know, and I will be happy to develop a detailed outline for you to help guide your presentation. Of course, you are free to develop your own presentation any way you see fit.

## THE NCCA

The National Coin Collectors Association (NCCA) is in existence solely to promote and foster education and enjoyment in numismatics. Our focus is on non-slabbed pre-1965 coins costing under \$500 each (collector coins!).

Those who are, or who aspire to become, educated collectors of U.S. coinage will profit immensely in terms of knowledge and enjoyment from membership in the NCCA. The depth of one's desire to learn, not the depth of one's pocketbook, is the critical element.

The NCCA operates with no paid staff and no overhead. Expenses are limited to journal publication costs, postage, and other miscellaneous office supply expenses.

The NCCA also exists with no board of governors. All issues of relevance are voted on directly by NCCA members via mail.

NCCA's journal, The U.S. Coin Collector, is published six times per year. Articles are aimed at collector education. The journal, at this time, does not accept any advertising. However, we do accept press releases from reputable numismatic literature dealers, from numismatic specialty clubs, and from publishers of collector-oriented books and periodicals.

Since collectors naturally desire privacy:

- No mailings from the NCCA will identify the contents in any way. The return address on the envelopes will simply read "NCCA" and the mailing address.

- NCCA's membership list will not be divulged to anyone for any reason whatsoever.

Membership in the NCCA is \$18.00 per year, and you are cordially invited to join. If, at any time, you are dissatisfied with your membership for any reason, your full annual membership fee will be refunded.

-----

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Mail your check for \$18.00 (payable to NCCA) to:

NCCA

P0 Drawer 1150

Murphysboro IL 62966

NCCA

in Collectors Association (NCCA) solely to promote and foster interest in numismatics. Our focus is 1965 coins costing under \$500.

' or who aspire to become, of U.S. coinage will profit of knowledge and enjoyment from CA. The depth of ones desire to both of one's pocketbook, is the

es with no paid staff and no are limited to journal postage, and other miscellaneous.

exists with no board of relevance are voted on ers via mail.

The U.S. Coin Collector, is r year. Articles are submitted. The Journal, at this time, does Ising. However, we do accept reputable numismatic literature tlic specialty clubs, and from lector-oriented books and

naturally desire privacy: from the NCCA will identify the . The return address on the read "NCCA" and the mailing

ship list will not be divulged on whatsoever.

NCCA is \$18.00 per year, and ted to Join. If, at any time, l with your membership for any nual membership fee will be

00 (payable to NCCA) to:



0 1 2 3 4 5 6 7 8 9 10

R